

**FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2005**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS**

**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Group Income Statement for FY 2005 and FY 2004. These figures have not been audited.

	Group		
	Actual FY2005	Actual FY2004	Increase/ (Decrease)
	\$'000		%
Revenue	24,357	31,567	(22.8%)
Other income	1,730	84	N.M.
Finance income recognized under FRS 39	526	-	N.M.
Changes in stocks and contract work-in-progress	382	(1,738)	122.0%
Equipment and consumables used	(15,519)	(18,641)	16.7%
Freight costs	(425)	(699)	39.2%
Commission and consultancy expenses	(1,067)	(1,688)	36.8%
Staff costs	(3,697)	(3,167)	(16.7%)
Directors' fee	(200)	-	N.M.
Depreciation of plant and equipment	(196)	(233)	15.9%
Foreign exchange translation gain/(loss), net	27	(514)	N.M.
Interest expense	(59)	(53)	(11.3%)
Finance costs recognised under FRS 39	(468)	-	N.M.
Other operating expenses	(1,103)	(804)	(37.2%)
	(20,069)	(27,453)	27.0%
<b>Profit before income tax</b>	<b>4,288</b>	<b>4,114</b>	<b>4.2%</b>
Income tax	(758)	(839)	9.7%
<b>Net profit for the financial year</b>	<b>3,530</b>	<b>3,275</b>	<b>7.8%</b>
<b>Attributable to:</b>			
Shareholders of the Company	3,525	3,216	
Minority interests	5	59	
<b>Net profit for the financial year</b>	<b>3,530</b>	<b>3,275</b>	<b>7.8%</b>
<b>Earning per share (cents)</b>			
- Basic	6.4	6.7	

N.M. Not Meaningful

Group Income Statement for FY 2005 and FY 2004. These figures have not been audited.

	Group		
	\$'000		%
	Actual FY2005	Proforma FY2004	Increase/ (Decrease)
Revenue	24,357	31,567	(22.8%)
Other income	1,730	84	N.M.
Finance income recognized under FRS 39	526	-	N.M.
Changes in stocks and contract work-in-progress	382	(1,738)	122.0%
Equipment and consumables used	(15,519)	(18,641)	16.7%
Freight costs	(425)	(699)	39.2%
Commission and consultancy expenses	(1,067)	(1,688)	36.8%
Staff costs	(3,697)	(3,167)	(16.7%)
Directors' fees	(200)	-	N.M.
Depreciation of plant and equipment	(196)	(233)	15.9%
Foreign exchange translation gain/(loss), net	27	(514)	N.M.
Interest expense	(59)	(53)	(11.3%)
Finance costs recognised under FRS 39	(468)	(921)	49.2%
Other operating expenses	(1,103)	(804)	(37.2%)
	(20,069)	(28,374)	29.3%
<b>Profit before income tax</b>	<b>4,288</b>	<b>2,554</b>	<b>67.9%</b>
Income tax	(758)	(639)	(18.6%)
<b>Net profit for the financial year</b>	<b>3,530</b>	<b>2,554</b>	<b>38.2%</b>
<b>Attributable to:</b>			
Shareholders of the Company	3,525	2,495	
Minority interests	5	59	
<b>Net profit for the financial year</b>	<b>3,530</b>	<b>2,554</b>	

Note:

Assumption is made that the Company adopts the FRS 39 from 1 Jan 2004.

N.M. Not Meaningful

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group	
	FY2005	FY2004
	\$'000	\$'000
<b>Non-current assets</b>		
Plant and equipment	588	337
Deferred expenditure	-	375
Deferred tax assets	42	-
Cash and cash equivalents	559	964
Trade receivables	6,575	5,236
	7,764	6,912
<b>Current assets</b>		
Stocks	937	460
Contract work-in-progress	154	175
Trade receivables	14,592	8,773
Other receivables	768	345
Cash and cash equivalents	3,437	5,147
	19,888	14,900
<b>Current liabilities</b>		
Contract work-in-progress	75	1
Trade payables	11,087	10,426
Other payables	467	706
Deferred revenue	77	129
Finance lease liabilities	4	13
Interest bearing loans and borrowings	221	1,134
Income tax payable	770	831
	12,701	13,240
<b>Net current assets</b>	7,187	1,660
<b>Non-current liabilities</b>		
Finance lease liabilities	28	24
Deferred tax liabilities	59	33
	87	57
<b>Net assets</b>	14,864	8,515
<b>Equity</b>		
Issued share capital	8,009	2,408
Share premium	1,278	2,029
Foreign currency translation reserve	(24)	(25)
Retained profits	5,404	3,999
	14,667	8,411
Minority interests	197	104
<b>Total equity and minority interest</b>	14,864	8,515

	Company	
	FY2005	FY2004
	\$'000	\$'000
<b>Non-current assets</b>		
Deferred expenditure	-	375
Investments in subsidiaries	4,350	4,350
	4,350	4,725
<b>Current assets</b>		
Other receivables	921	5
Loan to a subsidiary	2,498	4
Cash and cash equivalents	2,196	34
	5,615	43
<b>Current liabilities</b>		
Other payables	359	410
	359	410
<b>Net current assets/(liabilities)</b>	5,256	(367)
<b>Net assets</b>	9,606	4,358
<b>Equity</b>		
Issued share capital	8,009	2,408
Share premium	1,278	2,029
Retained profits/(accumulated losses)	319	(79)
<b>Total equity</b>	9,606	4,358

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

As at 31 December 2005, our outstanding loan amounted to \$0.2 million. The loan is secured by a cash deposit placed with a financial institution amounting to \$250,000. The loan bears average interest of 5.25 per cent per annum and is repayable within the next 12 months.

As at 31 December 2005, our outstanding finance lease liabilities amounted to S\$32,000.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group \$'000	
	FY2005	FY2004
<b>Cash flow from operating activities:</b>		
Profit before income tax	4,288	4,114
Adjustments for:		
Depreciation of plant and equipment	196	233
Loss on disposals of plant and equipment	22	2
Interest expense	59	52
Interest income	(50)	(20)
Finance income recognized under FRS 39	(526)	-
Finance costs recognized under FRS 39	468	-
Foreign currency translation differences	(8)	(16)
	4,449	4,365
(Increase)/ decrease in stocks and contract work-in-progress	(382)	1,211
Increase in trade and other receivables	(8,444)	(4,786)
Increase in trade and other payables	370	2,765
<b>Cash generated (used in)/ from operations</b>	<b>(4,007)</b>	<b>3,555</b>
Interest received	50	20
Interest paid	(59)	(52)
Income tax paid	(835)	(115)
<b>Net cashflows (used in)/from operating activities</b>	<b>(4,851)</b>	<b>3,408</b>
<b>Cash flow from investing activities:</b>		
Purchase of plant and equipment	(475)	(113)
Proceeds from disposal of plant and equipment	17	9
<b>Net cashflows used in investing activities</b>	<b>(458)</b>	<b>(104)</b>
<b>Cash flow from financing activities:</b>		
Proceeds/(repayment) from loan from financial institution	11	(595)
Repayment of finance leases	(5)	(27)
Proceeds from issuance of share capital by the Company	6,208	-
Contribution of share capital by MI in subsidiary	87	-
Payments for IPO expenses	(984)	(375)
Decrease/(increase) in fixed deposits pledged with financial institutions	405	(120)
Dividend paid	(1,200)	-
<b>Net cash flows from/(used in) financing activities</b>	<b>4,522</b>	<b>(1,117)</b>
Net (decrease)/increase in cash and cash equivalents	(787)	2,187
Cash and cash equivalents at beginning of financial year	4,148	1,961
<b>Cash and cash equivalents at end of financial year *</b>	<b>3,361</b>	<b>4,148</b>

**Note to Cash & cash equivalent at end of financial year**

	Group \$'000	
	FY2005	FY2004
*Unpledged fixed deposit	2,393	-
Cash and bank balance	1,044	5,148
	<u>3,437</u>	<u>5,148</u>
Less : Overdraft	(76)	(1,000)
Cash and cash equivalents at end of financial year	<u>3,361</u>	<u>4,148</u>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Any discrepancies in the tables included in this announcement between the total sums of amounts listed and the totals shown are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Group	Issued share capital	Share premium	Foreign currency translation reserve	Retained profits	Equity attributable to shareholders of the Company	Minority interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2004	2,408	2,029	(13)	665	5,089	171	5,260
Foreign currencies translation difference	-	-	(12)	-	(12)	-	(12)
Net profit for the financial year	-	-	-	3,334	3,334	(67)	3,267
Balance as at 31 December 2004	2,408	2,029	(25)	3,999	8,411	104	8,515
Adoption of FRS39	-	-	-	(921)	(921)	-	(921)
As restated	2,408	2,029	(25)	3,078	7,490	104	7,594
Issuance of new shares upon conversion of employee share options	591	994	-	-	1,585	-	1,585
Bonus Issue	2999	(2999)	-	-	-	-	-
Issuance of new shares during IPO	2,010	2,613	-	-	4,623	-	4,623
IPO expenses	-	(1,359)	-	-	(1,359)	-	(1,359)
Dividend paid	-	-	-	(1,200)	(1,200)	-	(1,200)
Net profit for the financial year	-	-	-	3,525	3,525	93	3,618
Balance as at 31 December 2005	8,008	1,278	(24)	5,403	14,665	197	14,863

Company	Issued share capital	Share premium	Foreign currency translation reserve	Retained profits	Equity attributable to shareholders of the Company
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2004	2,408	2,029	-	(52)	4,385
Net loss for the financial year	-	-	-	(27)	(27)
Balance as at 31 December 2004	2,408	2,029	-	(79)	4,358
Issuance of new shares upon conversion of employee share options	591	994	-	-	1,585
Bonus Issue	2999	(2999)	-	-	-
Issuance of new shares during IPO	2,010	2,613	-	-	4,623
IPO expenses	-	(1,359)	-	-	(1,359)
Dividend paid	-	-	-	(1,200)	(1,200)
Net profit for the financial year	-	-	-	1,598	1,598
Balance as at 31 December 2005	8,008	1,278	-	319	9,605

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

**Details of changes in issued and paid-up capital since 31 December 2004 are as follows:-**

	Number of Shares @ S\$0.10	\$	Note
Issued and fully paid as at 31 December 2004	24,080,210	2,408,021.00	
New shares issued upon conversion of share options	5,914,083	591,408.30	(a)
Bonus Issue	29,994,293	2,999,429.30	(b)
	<b>59,988,586</b>	<b>5,998,858.60</b>	
New shares issued pursuant to the initial public offering	20,100,000	2,010,000.00	(c)
Issued and fully paid as at 31 December 2005	<b>80,088,586</b>	<b>8,008,858.60</b>	

**Note:**

- (a) On 8 September 2005, 5,914,083 new ordinary shares of S\$0.10 each were issued at S\$0.268 per share for cash upon the exercise of share options held by the employees
- (b) On 9 September 2005, 29,994,294 new ordinary shares of S\$0.10 each were issued as bonus shares by way of capitalizing the share premium account of the Company.
- (c) On 26 October 2005, 20,100,000 new ordinary shares of S\$0.10 each were issued at S\$0.23 per shares for cash pursuant to the initial public offering of the Company.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation as in the Group's most recently audited financial statements for the financial year ended 31 December 2004 except for the adoption of the new and review Financial Reporting Standards (FRS) that are mandatory for the financial years beginning on or after 1 January 2005.



5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There are no material changes on the financial statements of the Group arising from the adoption of the new/revised FRS, except as discussed below:-

**FRS 39 – Financial Instruments : Recognition and Measurement**

In accordance with the transitional provisions of FRS 39, the comparative figures of the Group for years prior to 1 January 2005, as presented in this announcement, have not been related to account for the effect of the above change in accounting policy. The change in accounting policy resulted in recognition of a fair value loss on the Group's bills receivables of S\$0.9 million which has been adjusted against opening retained profits as at 1 January 2005.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	FY2005	FY2004
Earnings per ordinary share		
Based on weighted average number of ordinary shares on issue (cents)	6.4	6.7
Weighted average number of ordinary shares	55,213,875	48,160,420

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group	
	31 December 2005	31 December 2004
Net asset value per ordinary share (cents) based on issued share capital at the end of:	18.31	17.46
No. of shares used in computation of net assets per share	80,088,586	48,160,420

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**  
**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Group Revenue	\$'000	\$'000	%
	FY 2005	FY 2004	Increase/ (Decrease)
Network Infrastructure Projects	13,427	21,415	(37.3%)
Voice Communications Systems	9,188	8,504	8.0%
Project Management and Maintenance Services	1,742	1,649	5.6%
<b>Total Group</b>	<b>24,357</b>	<b>31,568</b>	<b>(22.8%)</b>

Gross Profit	\$'000	\$'000	%
	FY 2005	FY 2004	Increase/ (Decrease)
Network Infrastructure Projects	6,420	6,834	(6.1%)
Voice Communications Systems	2,018	1,105	82.6%
Project Management and Maintenance Services	889	863	3.0%
<b>Total Group</b>	<b>9,327</b>	<b>8,802</b>	<b>6.0%</b>

a. Overview

Group Revenue for FY 2005 was \$24.4 million, a decrease of 22.8% over that of the previous year. Despite the decrease in revenue, group net profit grew 7.8% to \$3.5 million.

b. Revenue

Network Infrastructure Projects recorded a decrease of 37.3% to \$13.4 million mainly due to the timing of completion of projects in Myanmar and Thailand.

The performance in Voice Communication Systems and Project Management and Maintenance services continued to improve with growth of 8% to \$9.2 million and 5.6 % to \$1.7 million respectively. The improvement was a result of our focus on selling higher end products and improved maintenance income.

c. Profitability

Gross profit for Network Infrastructure Projects decreased by 6.1% to \$6.4 million due mainly to the timing of completion of projects in Myanmar and Thailand. Gross Profit for Voice Communication Systems improved by 82.6 % to \$ 2.0 million. This was mainly attributable to selling products which yielded better margins. With the continuing growth in maintenance income, gross profit for Project Management and Maintenance services grew by 3% to \$0.9 million.

A more stabilized US\$ vs S\$ in 2005 and tighter control over foreign currency management have resulted in a significantly lower foreign currency translation losses.

Overall, our net profit grew by 7.8% to \$3.5 million as a result of the above factors.

d. Balance Sheet

The decrease in non-current cash & cash equivalents was mainly due to the release of pledged fixed deposits by our bankers. Trade receivables increased due to the completion of second phase of a project in Myanmar. The amounts due from this customer are receivable under irrevocable letter of credit.

Interest bearing loans and borrowings decreased due to repayments in 2005. IPO expenses of S\$1.4 million was written-off against the share premium account in accordance with the Companies Act.

e. Adoption of FRS39

We have adopted FRS 39 which is mandatory for financial statements beginning 1 January 2005, prospectively from 1 January 2005.

If the FRS 39 was adopted in FY 2004 (see Proforma Profit & Loss Statement in Page 2), the group net profit after tax for FY 2004 would have been S\$ 2.6 million instead of \$ 3.3 million. Comparing the result after this adoption, the group would have shown a growth of 38.2 % in net profit for FY 2005.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Business conditions are expected to remain positive, though challenging, in the current financial year. The Group has taken steps to face this challenge. The priority for us will be to continue our focus on the key markets we are in. Growth in these key markets is expected to remain steady in FY2006.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	2 cents	1.5 cents
Optional: Dividend Rate (in %)	-	-
Par value of shares	10 cents	10 cents
Tax Rate	Tax exempt (One tier)	Tax exempt (One tier)

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

Not applicable

**(c) Date payable**

16 May 2006

**(d) Books closure date**

The Register of Members and Register of Transfers of the Company will be closed on 5 May 2006 for the purpose of determining shareholders' entitlements to dividends. Registrable Transfers received by the Company's Register, Lim Associates (Pte) Ltd at 10 Collyer Quay #19-08, Ocean Building, Singapore 049315, up to 5.00 pm on 4 May 2006 will be registered before entitlements to the dividend are determined.

**12. If no dividend has been declared/recommended, a statement to that effect.**

Not applicable

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Group Revenue	\$'000	\$'000	%
	FY 2005	FY 2004	Increase/ (Decrease)
Singapore	13,432	11,027	21.8%
Myanmar	5,412	8,488	(36.2%)
Vietnam	2,470	10,223	(75.8%)
Others	3,043	1,829	66.4%
<b>Total Group</b>	<b>24,357</b>	<b>31,567</b>	<b>(22.8%)</b>

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Paragraph 8

**15. A breakdown of sales.**

Please refer to Paragraph 8

There are no prior year comparatives as the Group was listed only on 26 Oct 2005.

- 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

**Total Annual Dividend**

	<b>Latest Full Year (FY2005)</b>	<b>Previous Full Year (FY2004)</b>
<b>Ordinary</b>	2,401,100	0
<b>Preference</b>	0	0
<b>Total:</b>	2,401,100	0

- 17. Interest Persons Transactions**

Not applicable

BY ORDER OF THE BOARD

Jimmy Chang Joo Whut  
 Managing Director  
 24 February 2006

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The Initial Public Offering of the Company was sponsored by UOB Asia Ltd.